



AMERICAN RECOVERY AND REINVESTMENT (FEDERAL STIMULUS) ACT OF 2009

GENERAL GOVERNMENT (SECTION A)

February 27, 2009

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Agency unknown Broadband Technology Opportunities Program	Expand public computer center capacity (including community colleges and public libraries) Innovative programs to encourage sustainable adoption of broadband services Develop and maintain a broadband inventory map	Not more than 3 percent of funds used for administrative costs	Competitive grants Broadband technologies opportunities program (\$4.35B) Expand public computing centers (\$0.2B) Innovative programs (\$0.25B) Map (\$0.35B)	Total federal: \$4.7 billion Unsure if funds would flow through state government	No	

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Department of Administration – employee health benefits program *COBRA allows a person who terminates employment to continue employer insurance coverage for up to 18 months by paying Under COBRA, workers must pay 100% of the premium plus 2% in administrative costs.	The bill would extend COBRA* coverage for an additional 9 months for workers who lose their jobs for reasons other than gross misconduct and would subsidize the cost of COBRA premiums by 65%.		Credit to payroll tax for employer	Unknown	No	There may be impacts to the state employee group plan. Historically, persons who opt to continue insurance coverage through COBRA do so because they have medical conditions or know that they will incur medical costs.
Department of Commerce/Housing Division/ Tax Credit Assistance Program	The Tax Credit Assistance Program (TCAP) provides grant funding for capital investment in Low Income Housing Tax Credit (LIHTC) projects via a formula-based allocation to State housing credit allocation agencies. This is the Montana Board of Housing (MBOH).	Projects awarded low income housing tax credits in fiscal years 2007, 2008, or 2009 are eligible for funding but housing credit agencies must give priority to projects that are expected to be completed by February 2012. 75 percent of TCAP funds will be committed by February 2010, 75 percent must be expended by February 2011, and 100 percent of the funds must be expended by February 2012.	The MBOH will distribute these funds competitively and according to their qualified allocation plan	Total Federal is \$2.25 billion with Montana receiving \$7,818,360	Yes	There is no action for the legislature to take other than to make appropriation of the federal funds. This program is 100% federally funded. The Agency anticipates that they will be able to handle the inflow of funds with current personnel. The agency has a current wait list of projects that are ready to go.

Agency/Function	Description	Conditions on the Money?		How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Department of Commerce/Housing Division/ Housing Credit Exchange Program	With the financial market turmoil the ability to sell low income housing tax credits has been become extremely difficult. This allows the return of the credit to the federal government in exchange for funding that can help effected projects.	Allows Montana Board of Housing to trade in up to 40 percent of their 2009 low income housing Credit authority and up to 100 percent of any unused or returned 2008 Credits for 85 cents on the dollar to fill funding gaps in otherwise “ready to go” developments.		The MBOH will distribute these funds competitively and according to their qualified allocation plan	There would be \$36,210,000 eligible for trade-in at \$.85 = \$30,778,500. This is the total credits eligible to be exchanged. The actual credits to be exchanged will most likely be something less but at this point we cannot estimate what that might be.	Yes	Normally the tax credit program does not require budget authority since the Board only awards the right to use federal tax credits but with this provision it allows the Board the ability to receive cash directly and award these funds to eligible projects that would have otherwise received tax credits thus requiring budget authority to spend these funds. There is no action for the legislature to take other than to make appropriation of the federal funds. This program is 100% federally funded. The Agency anticipates that they will be able to handle the inflow of funds with current personnel. The agency has a current wait list of projects that are ready to go.
Department of Commerce / Energy Promotion and Development	<p>Three sources of funding from the U.S. Department of Energy's (DOE) State Energy Program (SEP): DOE grants, SEP Special Projects, and Petroleum Violation Escrow (PVE) Funds.</p> <p>Allows States to apply for financial assistance to undertake a wide range of required and optional energy-related activities to promote the conservation of energy, to reduce the rate of growth of energy demand, and to reduce dependence on imported oil through the development and implementation of a comprehensive State Energy Program and the provision of Federal financial and technical assistance to States in support of such program</p>	<p>All funds must be used within 60 days From signing of the act.</p> <p>Use means obligation of funds</p> <p>State must apply for the money and may be required to match 20% from state sources.</p>			The total federal funding available is estimated to be \$3.4 Billion with an estimated state portion of \$28.73 Million	Yes	<p>This funding may be limited to energy conservation initiatives at the DEQ or the Governor’s office.</p> <p>There may be a chance that grants could be applied for to fund the Division of Energy Promotion and Development at the Dept. of Commerce. That budget is OTO funded \$660,000 of general fund.</p>

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Department of Commerce / HOME grant program	HOME grant programs for local governments and community housing authorities.	All funds must be used within 60 days From signing of the act. Use means obligation of funds	Formula Grants	Total federal is \$1.75 Billion with an estimated state portion of \$6.09 Million in the Conference committee version – Source FFIS	Yes	There is no action for the legislature to take other than to make appropriation of the federal funds. This program is 100% federally funded with an administrative allowance of 10%. The Agency anticipates that they will be able to handle the inflow of funds with current personnel. The agency has a current wait list of projects that are ready to go.
Department of Commerce / Neighborhood Stabilization Program	<p>Establish financing mechanisms for purchase & redevelopment of foreclosed upon homes & residential properties including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers</p> <p>Provides funding for Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties</p> <p>Establish land banks for homes that have been foreclosed upon</p> <p>Demolish blighted structures</p> <p>Redevelop demolished or vacant properties</p>	<p>All funds must be used within 60 days From signing of the act.</p> <p>Use means obligation of funds</p> <p>HUD will recapture and reallocate any funds not expended</p>	Competitive grants on a national basis	<p>Total federal funding is estimated to be \$2.0 Billion</p> <p>The grant applications are open to the State, Tribal organizations, Not for profit organization, local government or CDBG communities. Therefore the funding will be distributed among all of those entities that apply.</p>	Yes	<p>The potential state share of funding is the same as current state program. There is no indication of state matching requirement, but additional funding and timeline of distribution could require an increase in employees to administer. The funding is similar to a community development block grant and is likely to have a component (10%) for administrative expense.</p> <p>In the current biennium the Department of Commerce submitted a budget change decision package that included an additional 2.01 FTE in FY2009 and 3.0 FTE in FY 2010 for administration of \$19.6 Million in NSP grants.</p> <p>The agency states that “The Stimulus NSP money will be competitive on a national basis. ... we would not likely be competitive for any of that money. We do not believe that Montana would be receiving any NSP Stimulus funding at all”</p>

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Department of Labor and Industry / WIA Training and Employment Services	<p>This provision of the act would provide funding for a number of existing workforce development programs, including the three state formula grant programs that provide funding for youth, adults, and dislocated workers—Title I-B of the WIA.</p> <p>Other programs authorized by the WIA would also receive funding:</p> <p>National Reserve (WIA Title I-D, Section 173),</p> <p>YouthBuild (WIA Title I-D, Section 173A), and</p> <p>Pilot and Demonstration Programs (WIA Title I-D, Section 171).</p> <p>Additional workforce development programs provided for in the ARRA include state unemployment insurance and employment service operations, Title V of the Older Americans Act of 1965, and DOL management.</p>		<p>Formula based grants for adult, youth, and dislocated worker training</p> <p>Competitive grants for worker training in high-growth and emerging Industry sectors</p>	<p>Total federal funding is estimated at \$3.28 Billion with a estimated state apportionment of \$8.8 Million</p> <p>WIA Title 1-B for Adult training activities estimated state share \$1.247 Million - Conference committee estimated by FFIS</p> <p>WIA Title 1-B for youth programs (ages 21-24) estimated state share \$2.948 Million (HB1 & SB336 & Conference – FFIS)</p> <p>WIA Title 1-B and 1-D grants for dislocated workers. Estimated state share from conference committee \$1.659 Million</p> <p>Un-allocated worker training programs total federal funding of \$397 million with a state estimated share of \$1.292 million</p>	Yes	Funding should be automatic for the Title 1-B programs that are established already. Competitive grants need to be applied for. It could be that this funding could replace general fund and state special revenue funding for current programs.

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Department of Labor and Industry / Unemployment Benefits federal funding extension	Provides up to an additional 13 weeks of extended benefits 100% funded from federal funding through May 31, 2010			State estimated portion of \$25 million	Yes	This is in addition to other extension
Department of Labor and Industry / Unemployment Benefits Emergency Extension	This program may provide an extension of unemployment benefits through December 31, 2009. The benefits are 100% federally funded			Total federal funding is estimated to be \$27.0 billion; the estimated state portion is \$126 Million.	Yes	Currently unemployed people that have exhausted their current benefits or people that remained unemployed beyond the current benefit period but are now employed would not receive benefits retroactively. If a person remains unemployed after the passage of the bill they would qualify for benefits prospectively.
Department of Labor and Industry / AmeriCorps grants	Bloc grant to support AmeriCorps programs within the state.		Applied for grant	State estimated funding of \$500,000	Yes	Allocation based on existing programs that can focus on housing, health care, and capacity building for non-profits. Currently only three AmeriCorps programs qualify. No funds are allocated for state commissions administration of additional AmeriCorps members.
Department of Labor and Industry / Work Force Investment Act worker training and employment services	Each state is granted a portion of \$400 million for claimant servicing, job matching, and reemployment services. Funds are available through September 2010	\$250 million of funding would be allocated for reemployment services. The remainder would be available for general administrative expenses.	Federal allocation based on section 6 of the Wagner-Peysner Act. State is reimbursed upon application	Total federal funding is estimated to be \$400 Million. The state portion is divided in to: \$1.1 million for employment services and \$1.84 million for reemployment services grants	Yes	There are programs and initiatives that are funded from UI administrative funds. The new federal funds may be used to offset the state special revenue funds.

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Department of Labor and Industry / Increased Unemployment Benefits	Increased Unemployment Benefits add \$25 per week on to the existing benefit level. 100% Federal funds payable on all claims filed before January 1, 2010. Payments expire June 30, 2010. There is the possibility of administrative funds based upon workload numbers.	Governor must sign agreement with the feds.	Granted to the Unemployment Division	Total federal funding is estimated to be \$9.0 Billion, the estimated state portion is \$22.329 Million	Yes	Additional appropriation of federal funds may be necessary
Department of Labor and Industry / Trade Adjustment Assistance program	Temporary extension and expansion of the TAA program			Estimated state funding is divided by program function: UI/TRA \$1.6 million Work force Services/TAA \$16.1 million	Yes	Expands TAA training and TRA benefits to service sector and public agency workers negatively impacted by foreign trade. Also includes job search and relocation benefits.
Department of Labor and Industry / Unemployment Insurance Modernization	Program that requires states to adopt an "alternative base period" in exchange for a grant of 1/3 of the available funding and the option to adopt additional policies that extend coverage to otherwise ineligible people for the remaining 2/3 of the funding. These funds are Reed Act funds.	To receive the first 1/3 of the grant funding, the state must adopt an "Alternative Base Period" that accounts for an individual's most recent wages if needed for the individual to qualify for benefits as opposed to the current system of looking at wages beginning three to six months prior to	Applied for grants	Total federal funding is estimated to be \$7.0 Billion with the state portion estimated to be \$6.4 million for the adoption of the ABP, \$13.1 million for the adoption of additional policies.	Yes	<p>This change to the ABP and adoption of new policies may require legislation.</p> <p>This legislation is on-going law and therefore creates an additional financial burden on the state that will continue when the federal funds have expired. The Dept. of Labor and Industry estimates that the annual cost to support the change will be \$10 million. The agency further stated that the change will not increase employer taxes because the fund flows will support an additional \$20 million in additional expenditures annually.</p> <p>HB 580 carried by Mary Caffero has language covering this change.</p>

		<p>an individual's unemployment.</p> <p>The remaining 2/3 funding is available to states that adopt two of five additional policies that extend or expand coverage</p>				
Department of Labor and Industry / Unemployment Insurance Modernization Administration	Funding to administer the UI program related to the adoption of UI Modernization		Special transfer of funds dependant on the amount of FUTA paid	Total federal funding of \$500 million with the state estimate of \$1.4 million		Expenditures are restricted for use in the payment of expenses incurred in the administration of state UI laws, outreach to individuals who might be eligible for UI under the new modernization provisions, improvement of the UI benefit and tax operations and staff-assisted reemployment services for UI claimants.